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# Global Commitment Register

March 17, 2023

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GCR 22-131  
FINAL

## **Vermont Medicaid Next Generation ACO Program**

### **Policy Summary:**

The Department of Vermont Health Access (DVHA) recently entered the seventh year of the Vermont Medicaid Next Generation Accountable Care Organization (VMNG ACO) program, which is a program for a risk-bearing ACO to receive a prospective payment and to assume accountability for the costs and quality of care for prospectively attributed Medicaid members. The VMNG model is structured similarly to the Medicare Next Generation ACO Model but has been modified to address the needs of the Medicaid population in Vermont.

In the VMNG ACO arrangement, Medicaid issues a prospective payment to the ACO on a Per-Member-Per-Month (PMPM) basis according to a member's Medicaid Eligibility Group; the ACO distributes funds to providers participating in the program according to contractual arrangements. This is a monthly fixed payment made in advance of services being performed for a prospectively attributed group of Medicaid members and a defined set of Medicaid services comparable to services provided under Medicare Parts A and B. Payments for services for which the ACO is not accountable are still paid fee-for-service, as are payments made to non-ACO providers for attributed members and payments made to providers in the ACO network that elect to be reimbursed fee-for-service.

The seventh year of the ACO program has the following updates:

- 1) Of the \$2 million Value-Based Incentive Fund (the value-based component of the program), \$500,000 must be used to provide shared interest payments to Designated Agencies based on Health Service Area (HSA)-level performance for 3 mental health/substance use disorder (MHSUD) -related quality measures related to follow-up care. DVHA will continue to administer payments from this fund instead of the ACO.
- 2) The traditional and expanded attribution cohorts have been combined into a single cohort for the purposes of financial reconciliation (see Table 1). Downside risk will increase to +/-3% for this combined attribution cohort.
- 3) The quality measure set has been modified to make Follow-Up after Hospitalization for Mental Illness a payment measure (which was previously a reporting measure) and make Risk Standardized Hospital Admission Rate for Patients with Multiple Chronic Conditions a reporting measure (was previously a payment measure, but specifications

were modified too significantly to make comparisons year-over-year). A performance measures chart is available in the Additional Information section below.

- 4) The prior authorization waiver has been modified to align with broader changes DVHA is making at the payer level to PA requirements for those categories of service. Changes include reinstating prior authorization requirements for ACO-attributed members for therapies, chiropractic care, and out-of-network services.

The PMPM rates for the combined traditional and expanded attribution cohort is outlined in the table below:

*Table 1. Traditional Attribution Cohort*

	<b>A=B+C</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E = C + D</b>
<b>MEG</b>	<b>ETCOC</b>	<b>Allocation for FFS</b>	<b>Allocation for FPP</b>	<b>Provider Reform Support Payment</b>	<b>Monthly Value-Based Care Payment to Contractor</b>
ABD	\$598.74	\$269.39	\$329.35	\$4.75	\$334.10
New Adult	\$298.84	\$121.46	\$177.38	\$4.75	\$182.13
Non-ABD Adult	\$298.84	\$121.47	\$177.37	\$4.75	\$182.12
Consolidated Child	\$118.50	\$55.33	\$63.17	\$4.75	\$67.92
SCHIP Child	\$97.75	\$44.24	\$53.51	\$4.75	\$58.26

Table Acronyms:

- ABD: Aged, Blind, or Disabled
- ETCOC: Expected Total Cost of Care
- FFS: Fee-For-Service
- FPP: Fixed Prospective Payment
- MEG: Medicaid Eligibility Group
- SCHIP: State Children’s Health Insurance Program

The risk arrangement between DVHA and participating ACOs is outlined in the tables below:

*Table 3. Combined Traditional and Expanded Attribution Cohort Risk Arrangement:*

Expenditures over/under expected Total Cost of Care target	ACO share	DVHA share
-3% to 3%	100%	0%
<-3% or >3%	0	100%

Additional information regarding this program can be found below.

**Effective Date:**

January 1, 2023

**Authority/Legal Basis:**

[Global Commitment to Health Waiver](#): Waiver authority #5 [Section 1902(a)(13), 1902(a)(30)]; Special Term and Condition #6.8.

[Medicaid State Plan](#)

**Population Affected:**

Attributed Medicaid beneficiaries.

**Fiscal Impact:**

The estimated annualized gross budget impact of this program is budget neutral.

**Public Comment Period:**

The public comment period ended January 30, 2023. No comments were received.

To be added to the GCR email list, send an email to [AHS.MedicaidPolicy@vermont.gov](mailto:AHS.MedicaidPolicy@vermont.gov).

**Additional Information:**

Documents describing the Vermont Medicaid Next Generation ACO Program:

- [ACO Coverage Document](#)
- [ACO Reimbursement Document](#)

Performance Measures:

<b>Measure Name and NQF # (if applicable)</b>	<b>Measure Steward/Developer</b>	<b>Baseline Year</b>	<b>Baseline Statistic</b>	<b>Notes</b>
NQF #2605 - 30 Day Follow-Up after ED Visit for Substance Use (FUA)	NCQA	CY2017	30.6%	Performance impacts ACO payment
NQF #2605 - 30 Day Follow-Up after ED Visit for Mental Illness (FUM)	NCQA	CY2017	80.9%	Performance impacts ACO payment
Child and Adolescent Well Care Visits (WCV, 3-21 years)	NCQA	CY2017	57.5%	Performance impacts ACO payment
NQF #1448 - Developmental Screening in the First 3 Years of Life- (CMS Child Core CDEV)	OHSU	CY2017	59.7%	Performance impacts ACO payment
NQF #0059 - Hemoglobin A1c Control for Patients with Diabetes (HbA1c poor control [>9%]) (CDC)	NCQA	CY2017	31.5%	Performance impacts ACO payment
NQF #0018 - Hypertension: Controlling High Blood Pressure (CBP)	NCQA	CY2017	64.61%	Performance impacts ACO payment

<b>Measure Name and NQF # (if applicable)</b>	<b>Measure Steward/Developer</b>	<b>Baseline Year</b>	<b>Baseline Statistic</b>	<b>Notes</b>
NQF #0004 - Initiation of Alcohol and Other Drug Dependence Treatment (IET)	NCQA	CY2017	35.4%	Performance impacts ACO payment
NQF #0004 - Engagement of Alcohol and Other Drug Dependence Treatment (IET)	NCQA	CY2017	17.6%	Performance impacts ACO payment
NQF #0418 - Screening for Clinical Depression and Follow-Up Plan	CMS	CY2017	47.4%	Performance impacts ACO payment
NQF #0576 - Follow-Up after Hospitalization for Mental Illness (7 Day Rate) (FUH)	NCQA	CY2017	37.0%	Performance impacts ACO payment
NQF #0028 - Tobacco Use Assessment and Tobacco Cessation Intervention	PCPI Foundation	CY2018	60.76%	Reporting only (no payment associated with measure performance)
Risk Standardized Hospital Admission Rate for Patients with Multiple Chronic Conditions (18 and over)	CMS	CY2017	1.5%	Reporting only (no payment associated with measure performance)
NQF #0005 - Patient Centered Medical Home (PCMH) Consumer Assessment of Healthcare Providers & Systems (CAHPS) Survey Composite Measures	AHQR	CY2018	N/A	Reporting only (no payment associated with measure performance)